



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#5 JANUARY 17, 2012

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SACHI A. HAMAI
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*To ensure access to high-quality,
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health care to Los Angeles
County residents through direct
services at DHS facilities and
through collaboration with
community and university
partners*



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January 17, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AFFILIATION AGREEMENT FOR PHYSICIANS IN
POSTGRADUATE TRAINING WITH GERI-CARE II, INC. DBA VERMONT
CARE CENTER
(SUPERVISORIAL DISTRICT 2)
(3 VOTES)**

SUBJECT

Request approval to execute a new Affiliation Agreement for Physicians in Postgraduate Training with Geri-Care II, Inc., dba Vermont Care Center to train Harbor-UCLA Medical Center Family Medicine resident physicians at Vermont Care Center.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute an Affiliation Agreement for Physicians in Postgraduate Training (PPGAA) with Geri-Care II, Inc, dba Vermont Care Center (Vermont Care), a skilled nursing facility, effective upon Board approval through June 30, 2012, and renewed annually until terminated by either party in accordance with the Agreement terms, for the provision of training of Harbor-UCLA Medical Center (H-UCLA MC) Family Medicine resident physicians (Residents) by H-UCLA MC Attending Physicians at Vermont Care, with no exchange of money between the parties.
2. Delegate authority to the Director, or his designee, to issue notice of termination, as and when appropriate, and in accordance with the termination provisions in the proposed Agreement.

3. Delegate authority to the Director to enter into substantially similar PPGAAs for the training of County Residents by County Attending Physicians at non-County locations, with the approval of County Counsel, and notification to your Board and the Chief Executive Office.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Director, or his designee, to execute an agreement, substantially similar to Exhibit I, with Vermont Care for the provision of training H-UCLA MC Family Medicine Residents by H-UCLA MC Attending Physicians at Vermont Care skilled nursing facility. This will allow the Residents to receive medical training in the field of Geriatrics toward the completion of their Residency program, and help ensure the ability of H-UCLA MC to retain accreditation of its Residency training program in Family Medicine. The H-UCLA MC's Family Medicine Residency program is a three-year program that provides medical training for up to 24 Residents per year. Residents are required to provide supervised care to patients in a nursing home environment for 24 months of their 36-month Residency training program. No other training locations are currently available that would allow the Residents to obtain the observational and practical experience necessary to complete the Geriatrics component of their Residency training program.

Although your Board has delegated authority to the Department of Health Services (DHS or Department) to enter into standard form PPGAAs, the proposed PPGAA has been modified to reflect the following differences: 1) the training arrangement with Vermont Care does not adhere to the standard training format in which the Contractor's staff provide the training of County residents at the Contractor's facility; in this case, H-UCLA MC Attending Physicians will provide the training of the Residents at the Vermont Care facility; 2) the training will always be unilateral with the County as the sending party; 3) each party to the Agreement will indemnify the other party for its own acts or omissions; 4) because County Attending Physicians are providing the Resident training, the County will provide the professional liability coverage for its Residents and for its Attending Physicians at the site; 5) the Contractor will be specifically required to provide County required insurance coverage for its own operations under the Agreement; and 6) the Contractor will not reimburse the County for the medical services provided by the Residents incidental to their training nor for the medical services provided by the County Attending Physicians.

Approval of the proposed Agreement will also correct the current situation in which Family Medicine Residents are receiving training at Vermont Care without the requisite Board-approved agreement. The proposed Agreement will formalize the existing Geriatrics component of the Family Medicine Residency training program for the Residents, and provide the necessary contractual protections to all involved parties providing and receiving services under the Agreement.

In 2008, the DHS Office of Clinical Affairs and Affiliations (OCAA) determined that training of Residents was occurring at several sites without the requisite PPGAAs. On May 10, 2011, your Board authorized the Director to execute a PPGAA with Harbor-UCLA Faculty Practice Plan to formalize the training of Nephrology Fellows at DaVita Chronic Dialysis Center under a Board-approved agreement. In that Board letter, DHS informed your Board that the Department would be continuing its discussions with the other unsupported training locations with the intent of convincing them to accept the Board-approved form PPGAA or negotiate modified affiliation agreements, which would be submitted subsequently for approval by your Board.

Approval of the second recommendation will allow the Director, or his designee, to terminate the Agreement in accordance with the termination provisions of the proposed Agreement.

Approval of the third recommendation will authorize DHS to enter into other substantially similar PPGAAs to allow the training of County Residents by County Attending Physicians at non-County locations that are willing to accept the County's terms and conditions.

Implementation of Strategic Plan Goals

The recommended actions support Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

There is no net County cost. Under the Agreement, there will be no monetary exchange between the parties.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

For a number of years, the County has entered into affiliation agreements with a variety of institutions. The agreements are intended to allow County Residents to obtain essential observational and practical experience in their respective medical fields when such training is not available at any County facilities. These agreements also allow the Residents of affiliating institutions to train at County facilities.

It is appropriate for the County to contract with Vermont Care to allow the training of County Residents by County Attending Physicians in the field of Geriatrics at Vermont Care. Both the H-UCLA MC Attending Physicians and the Residents have medical privileges at Vermont Care. Vermont Care is a licensed Geriatric skilled nursing facility, and possesses the necessary physical plant, equipment, available patients, and support personnel to permit thorough training of the Residents toward the completion of their program requirements in Geriatrics.

Vermont Care will indemnify the County for its own acts or omissions, and likewise, the County will indemnify Vermont Care for the acts or omissions of the County, including its Residents and Attending Physicians. Vermont Care will carry all of the insurance coverage required by the County to cover its own operations under the Agreement. The County's Risk Management office has approved the indemnification and insurance provisions of the Agreement.

County Counsel has approved the Agreement (Exhibit I) as to form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will formalize the existing Geriatrics component of the Family Medicine training program for County Residents at Vermont Care, and provide the necessary contractual basis for future training of Family Medicine Residents at Vermont Care.

The Honorable Board of Supervisors

1/17/2012

Page 4

Respectfully submitted,

A handwritten signature in black ink, reading "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:pps

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

**AFFILIATION AGREEMENT
FOR PHYSICIANS IN POSTGRADUATE TRAINING**

**GERI-CARE II, INC. dba
VERMONT CARE CENTER**

TABLE OF CONTENTS

<u>Paragraph</u>	<u>Page</u>
Recitals	
1. Term	2
2. Administration	3
3. Notification of Training Programs	4
4. Selection of Residents	4
5. Residents and County Attending Physicians Health Examinations	5
6. Training and Supervision	5
7. Emergency Health Care Services for Residents And County Attending Physicians	6
8. Restriction, Termination, and Certification of Resident Training	6
9. Licenses, Permits, Registration and Certificates	8
10. Nondiscrimination in Services and Employment	8
11. County Resident and County Attending Physician Compensation	8
12. Billing and Payment	9
13. Independent Contractor Status	9
14. Workers' Compensation	9
15. Indemnification	9
16. General Provisions for all Insurance Coverage	10
17. Insurance Coverage	16
18. Employer Obligations	18
19. Status of Residents and County Attending Physicians	19

TABLE OF CONTENTS (CONT'D)

<u>Paragraph</u>	<u>Page</u>
20. Records	19
21. Audit Reports	20
22. County Audit Settlements	21
23. Unlawful Solicitation	21
24. Information for Third-Party Payers	22
25. Reimbursement Program Changes	23
26. Confidentiality	24
27. Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH)	24
28. Resident Agreements	26
29. Quality of Care Review	26
30. Third Parties	26
31. County's Obligation for Future Fiscal Years	27
32. Compliance with Applicable Law	27
33. Governing Law, Jurisdiction and Venue	28
34. Authorization Warranty	28
35. Delegation and Assignment	28
36. Alteration of Terms	28
37. Fair Labor Standards Act	29
38. Employment Eligibility Verification	29
39. Notices	30
Exhibit A - Agreement Regarding Participation in Affiliated Training Programs	

Contract # _____

**AFFILIATION AGREEMENT
FOR PHYSICIANS IN POSTGRADUATE TRAINING**

THIS AGREEMENT is made and entered into this _____ day
of _____, 2012,

by and between	COUNTY OF LOS ANGELES (hereafter "County"),
and	GERI-CARE II, INC. dba VERMONT CARE CENTER (hereafter "Contractor").

WHEREAS, pursuant to California Health and Safety Code Section 1441, County has established and operates, through its Department of Health Services (hereafter "DHS"), a network of County hospitals and other health facilities; and

WHEREAS, Contractor has granted medical privileges to County Residents and County Attending Physicians at Contractor's facility located at 22035 South Vermont Avenue, Torrance, California 90502; and

WHEREAS, County operates physician postgraduate training programs, and as set forth in this Agreement, Contractor participates in County's physician postgraduate training program; and

WHEREAS, Contractor and County have found it to be in their mutual interest to provide an affiliation for County's physicians in postgraduate training (hereafter "Resident (s)"), because

County's physician postgraduate training program does not possess sufficient facilities or resources to properly train its Residents and Contractor possesses sufficient and appropriate facilities and resources for such training; and

WHEREAS, it is the purpose of this Agreement to provide for the training of Residents for purposes of benefitting County's physician postgraduate training programs by providing Residents with specialized training by County Attending Physicians at Contractor's facility and improving the patient care provided to patients at Contractor's facility by receiving valuable medical services from Residents and County Attending Physicians incident to such specialized training hereunder; and

WHEREAS, this Agreement is authorized by California Government Code Section 26227 and otherwise;

NOW, THEREFORE, Contractor and County agree as follows:

1. TERM: The term of this Agreement shall commence on the date first hereinabove written and shall continue in full force and effect through the next following June 30. This Agreement shall thereafter be automatically renewed for successive one-year periods without further action by the parties hereto unless the desire of either party to terminate this Agreement is given in writing to the other party on or before May 31 of any County fiscal year (July 1 through June 30) in which this Agreement is in effect. In any event, either party may at any time terminate this Agreement for any reason by giving at least ninety (90) days' written notice to the other party. In the event of any

interruption of either party's operations by war, fire, insurrection, labor troubles, riots, the natural elements, acts of God, or, without limiting the foregoing, any other cause beyond either party's control which substantially interferes with such party's ability to fulfill any obligation under this Agreement, such party shall immediately inform the other party and this Agreement may be terminated immediately by either party by giving written notice to the other party. In the event Contractor loses its accreditation by the Joint Commission or other applicable accrediting organization, Contractor shall immediately inform County and this Agreement may be terminated immediately by County giving written notice to Contractor. Additional termination provisions are found in Paragraphs 21 (Audit Reports), 25 (Reimbursement Program Changes), and 31 (County's Obligation for Future Fiscal Years).

2. ADMINISTRATION: The Director of DHS, or his authorized designee (hereafter collectively "Director"), shall have the authority to administer and monitor this Agreement on behalf of County. Contractor shall designate in writing a person who shall have the authority to administer this Agreement on behalf of Contractor. Director and Contractor may, in writing, agree from time to time among themselves regarding the policies and procedures necessary to implement and otherwise carry out the purposes of this Agreement and shall provide copies of such writings to each other in accordance with Paragraph 39 (Notices).

Such policies and procedures shall include, but are not limited to:

A. Procedures to implement Paragraph 3 (Notification of Training Programs).

B. Policies regarding Resident training hours.

C. Policies regarding the certification of successful completion of a Resident's training, and the parties' rights and/or obligations as to submitting explanatory statements to the Accreditation Council or other applicable accrediting body, and Graduate Medical Education, if applicable.

D. Policies regarding the availability of each party's services, and services at Contractor's facility, as arranged by Contractor (e.g., laundry, telephone, etc.) to Residents.

3. NOTIFICATION OF TRAINING PROGRAMS: County shall periodically notify Contractor of its available postgraduate training positions and any prerequisites applicable to Residents who may be sent for training thereunder. Such notification shall include information as to the accreditation status of each such training program with available positions.

4. SELECTION OF RESIDENTS: County shall select each participating Resident who shall meet all criteria established by Contractor. County's records regarding the education, training, and licensing of any participating Resident shall be furnished to Contractor upon request, provided that such Resident authorizes, in writing, such a release of records. Neither party shall send or receive any Resident without the prior written consent of both

Director and Contractor, and such consent may be withheld by either Director or Contractor because of, among other reasons, such Resident's failure to authorize the release of County's records.

5. RESIDENTS AND COUNTY ATTENDING PHYSICIANS HEALTH EXAMINATIONS: County shall certify in writing that each Resident selected for participation and County Attending Physician are in good health, as evidenced by a complete health examination, including, but not limited to, immunization against communicable diseases, which is satisfactory to Contractor, and which is provided by County at no cost to Contractor.

County shall certify in the same manner the satisfactory health status of any Resident and County Attending Physician after any absence of such Resident or County Attending Physician from participation in the training program at Contractor's facility caused by injury or illness before such Resident and/or County Attending Physician recommences participation in such training program.

6. TRAINING AND SUPERVISION: County's Attending Physicians shall provide training and supervision of Residents at Contractor's facility. Such Residents and County Attending Physicians shall perform physician services incident thereto for the benefit of the patients at Contractor's facility and in a manner consistent with the normal Resident training practices of County's training program and in compliance with Contractor's best practice medical procedures.

7. EMERGENCY HEALTH CARE SERVICES FOR RESIDENTS AND COUNTY ATTENDING PHYSICIANS: Contractor shall provide or summon emergency health services as required to Residents and County Attending Physicians when such Residents and/or County Attending Physicians are injured or become ill while on the premises of Contractor's facility pursuant to this Agreement, but shall not be responsible for the provision or summoning of such services for any injury or illness not occurring during such time. To the extent that such Residents and/or County Attending Physicians have medical insurance, workers' compensation, or other coverage which will pay for such services, Contractor shall be entitled to bill and collect payment for all services rendered pursuant to this Paragraph 7.

8. RESTRICTION, TERMINATION, AND CERTIFICATION OF RESIDENT TRAINING:

A. Restriction: Contractor may impose restrictions (e.g., limitation of clinical activities, etc.) on the training of any Residents and activities of accompanying County Attending Physicians while training at Contractor's facility by giving written notice of the nature and duration of such restriction to County. Contractor shall send written reasons for such training restriction to County within ten days after the date any such restriction is imposed. The requirement of written notice and written reasons described in this Subparagraph A shall not limit the right of Contractor to impose immediate restrictions upon

the clinical activities of such Residents when required in the interests of patient care.

B. Termination: Contractor may terminate the training of any Residents or activities of County's Attending Physicians at Contractor's facility by giving written notice of such termination to County. Contractor shall send written reason for such termination to County within thirty days after the date of termination.

C. Certification of Training Completion: Contractor shall have the right to refuse to certify that a Resident has successfully completed County's training program at Contractor's facility. All certifications of successful completion of training programs and all refusals of such certifications shall be done in accordance with any policies and procedures regarding certification agreed upon pursuant to Paragraph (Administration).

D. Procedures for Resident Disputes: Resolution of any dispute by any Residents and/or County Attending Physicians against County or Contractor as a result of any action taken by County or Contractor under Subparagraphs A, B, or C above or otherwise, shall be the sole responsibility of County and shall be in accordance with the policies and procedures, if any, established by County. Upon written request of County, Contractor shall cooperate and assist in such resolution by providing non-confidential records or information pertinent to such dispute and otherwise as appropriate and necessary.

9. LICENSES, PERMITS, REGISTRATIONS, AND CERTIFICATES:

Prior to sending any Resident or County Attending Physician to Contractor, County shall determine that such Resident and County Attending Physician obtains all appropriate and necessary licenses, permits, registrations, and certificates provided for under Federal, State, and local law. County shall also ensure that each Resident and County Attending Physician maintain all such licenses, permits, registrations, and certificates in effect during their affiliation with Contractor.

10. NONDISCRIMINATION IN SERVICES AND EMPLOYMENT:

Contractor shall not discriminate in the provision of services hereunder because of race, religion, national origin, ancestry, sex, age, or physical or mental disability, marital status or political affiliation, in accordance with all applicable requirements of Federal and State law. Contractor's employment practices and policies shall also meet all applicable Federal and State nondiscrimination requirements. This Agreement is exempt from the provisions of Chapter 4.32 of the Los Angeles County Code, pursuant to Section 4.32.040(D) thereof.

11. COUNTY RESIDENT AND COUNTY ATTENDING PHYSICIAN

COMPENSATION: Each Resident and County Attending Physician, during his or her affiliation with Contractor, shall receive his or her regular compensation (including all salary and other compensation and fringe benefits, and including professional liability insurance coverage, except as otherwise expressly provided by other provisions of this Agreement) from County.

12. BILLING AND PAYMENT: Except as otherwise specifically stated in this Agreement, no payment shall be made by either party to the other.

13. INDEPENDENT CONTRACTOR STATUS: This Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Contractor. County understands and agrees that all persons furnishing services to Contractor pursuant to this Agreement are, for purposes of worker's compensation liability, employees solely of County and not of Contractor. County shall bear the sole responsibility and liability for furnishing workers' compensation benefits to its employees for injuries arising from or connected with this Agreement.

14. WORKERS' COMPENSATION: Contractor and County shall maintain a policy of workers' compensation insurance, in an amount and form to meet all applicable requirements of the California Labor Code or be self-insured with respect to such workers' compensation liability, in accordance with the law.

15. INDEMNIFICATION: County agrees to indemnify, defend and hold harmless Contractor, its directors, employees, and agents from and against any and all liability and expense (including defense costs and legal fees) arising from or connected with the acts and/or omissions of Residents and County's Attending Physicians providing services at Contractor's facility, relating to this Agreement.

Contractor agrees to indemnify, defend and hold harmless County and its special Districts, elected officials and appointed officers, employees, and agents from and against any and all liability and expense, including defense costs and legal fees, arising from or connected with claims and lawsuits which result from bodily injury, death, and personal injury, or property damage (including damage to Contractor's property) to the extent arising from or allegedly arising from negligence or willful misconduct of Contractor, its employees, or agents.

16. GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE: Without limiting Contractor's indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Contractor shall provide and maintain, at its own expense insurance coverage satisfying the requirements specified in Paragraphs 16 and 17 of this Agreement. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other Contractual obligation imposed upon Contractor pursuant to this Agreement. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Agreement.

A. Evidence of Coverage and Notice to County:

Certificate(s) of Insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below)

have been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Agreement.

Renewal Certificates shall be provided to County not less than ten (10) days prior to Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.

Certificates shall indentify all Required Insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding Fifty Thousand Dollars (\$50,000.00), and list any County required endorsement forms.

Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its

insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles
Department of Health Services
Contracts and Grants Division
313 N. Figueroa Street, 6th Floor-East
Los Angeles, CA 90012
Attention: Director, Contract Administration &
Monitoring

AND

County of Los Angeles
Department of Health Services
Centralized Contract Monitoring Division
5555 Ferguson Drive, Suite 210
Commerce, CA 90022

Contractor also shall promptly report to County any injury or property damage accident or incident, including an injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its Sub-Contractors which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against Contractor and/or County.

B. Additional Insured Status and Scope of Coverage: The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided

additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

C. Cancellation of or Changes to Insurance:

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole

discretion of the County, upon which the County may suspend or terminate this Contract.

D. Failure to Maintain Insurance: Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Agreement, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

E. Insurer Financial Ratings: Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

F. Contractor's Insurance Shall Be Primary: Contractor's insurance policies, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

G. Waivers of Subrogation: To the fullest extent permitted by law, the Contractor hereby waives its rights

and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Agreement. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

H. Sub-Contractor Insurance Coverage Requirements:

Contractor shall include all Sub-Contractors as insureds under Contractor's own policies, or shall provide County with each Sub-Contractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the County and Contractor as additional insureds on the Sub-Contractor's General Liability policy. Contractor shall obtain County's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

I. Deductibles and Self-Insured Retentions (SIRs):

Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses.

Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

J. Claims Made Coverage: If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Agreement. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.

K. Application of Excess Liability Coverage: Contractors may use a combination of primary and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

L. Separation of Insureds: All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

M. Alternative Risk Financing Programs: The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

N. County Review and Approval of Insurance Requirements:

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

17. INSURANCE COVERAGE:

A. Commercial General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 Million
Products/Completed Operations Aggregate:	\$1 Million
Personal and Advertising Injury:	\$1 Million
Each Occurrence:	\$1 Million

B. Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 Million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

C. Workers Compensation and Employer's Liability insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee

leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

D. Professional Liability/Errors and Omissions insurance covering Contractor's liability arising from or related to any error, omission, negligent or wrongful act of Contractor, its officers or employees, with limits of not less than \$1 Million per claim and \$3 Million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination, or cancellation.

18. EMPLOYER OBLIGATIONS: Contractor shall not be, or be construed to be, the employer of Residents or County Attending Physicians for any purpose whatsoever. County shall be solely liable and responsible for all employer obligations, if any, with respect to such Residents and County Attending Physicians. Such obligations shall include, but are not limited to: payment of

salary and all other compensation and fringe benefits; responsibility for Federal and State withholding taxes and Social Security taxes; compliance with and responsibility for all applicable Federal and State wage/hour obligations; unemployment benefits; disability benefits; and all other applicable taxes, benefits, and contributions to employment-related insurance and similar programs. In the event that Contractor is for any reason required to pay any such obligations, County shall reimburse Contractor for any and all amounts paid by Contractor to meet such obligations.

19. STATUS OF RESIDENTS AND COUNTY ATTENDING PHYSICIANS:

Notwithstanding any other provision of this Agreement, the parties agree that each Resident and County Attending Physician shall at all times remain the Resident and/or employee of County. In this connection, and except as otherwise provided in Paragraph 8 (Restriction, Termination, and Certification of Resident Training), Subparagraph D (Procedures for Resident Disputes), Residents and County Attending Physicians shall at all times be subject to County's administrative rules, regulations, and benefits, including disciplinary actions, vacation, sick leave, health insurance, and all other rights applicable to County's employees. Each Resident and County Attending Physician shall, however, be expected to comply with all rules, regulations, and standards of Contractor's facility, as communicated to Residents and County Attending Physicians by Contractor, unless specifically in conflict, as mutually agreed by County and

Contractor, with those to which he or she is subject under his or her contract or agreement of employment with County. The parties shall cooperate to acquaint Residents and County Attending Physicians with the rules and regulations of Contractor's facility.

20. RECORDS: All records of each party in any way concerning the performance of this Agreement shall be available during normal business hours for inspections and audit by the other party and shall be maintained at a location in Southern California. The type of records shall be agreed upon by both parties subject to the provisions of Paragraph 2 (Administration), but shall generally include, but are not limited to:

A. Daily account of the number of person-hours spent by Residents at Contractor's facility (e.g., Resident timecards).

B. Resident's signature and County Attending Physician's signature, and the signature of Contractor's Agent (as applicable), on each Resident timecard or other documentation evidencing Resident's time spent at Contractor.

C. Monthly summaries of:

(1) The name of each Resident involved in training during the particular calendar month.

(2) The postgraduate year of training of each such Resident during the training.

(3) The total number of person-hours each such Resident spent at Contractor's facility during the training.

D. Documentation to support each Resident's salary and all other compensation and fringe benefits which were in effect during each calendar month of such training.

21. AUDIT REPORTS: In the event that an audit is conducted of Contractor by a Federal or State auditor, or by any auditor or accountant employed by Contractor or otherwise, and such audit results in a final report which contains information or conclusions relating to Contractor's performance of this Agreement, Contractor shall file a copy of any such audit report, or such portion thereof which is adequate to fully disclose such information or conclusions, with County's Department of Auditor-Controller within thirty (30) days after receipt thereof. County shall make a reasonable effort to maintain the confidentiality of any such audit report. Failure of Contractor to comply with the provisions of this Paragraph 21 shall constitute a material breach of this Agreement upon which County may terminate or suspend this Agreement.

22. COUNTY AUDIT SETTLEMENTS: If, at any time during the term of this Agreement or at any time after the expiration or prior termination of this Agreement, representatives of County conduct an audit of Contractor regarding this Agreement and if such audit finds that County's dollar liability hereunder is less than payments made by County to Contractor, then the difference

shall be either repaid by Contractor to County by cash payment upon demand or, at Director's option, deducted from any amounts due to Contractor from County. If such audit finds that County's dollar liability hereunder is more than payments made by County to Contractor, then the difference shall be paid to Contractor by County by cash payment.

23. UNLAWFUL SOLICITATION: Contractor shall inform all of its employees of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with Section 6150) of the California Business and Professions Code (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of such provisions by its employees. Contractor agrees to utilize the attorney referral services of all those bar associations within the County of Los Angeles that have such a service.

24. INFORMATION FOR THIRD-PARTY PAYERS:

A. Reports: Each party shall provide assistance to the other party with respect to the provision of financial and other information as may be required by the other party in preparation of cost and other financial reports required by the California Office of Statewide Health Planning and Development, the California Department of Health Services, the Medicare and Medi-Cal intermediaries, and other carriers or other third-party payers requesting such information. The party requesting such assistance shall reimburse the

other party for the cost of such assistance as reasonably determined or approved by County.

B. Federal Access to Records: If, and to the extent that, Section 1861(v)(1)(I) of the Social Security Act (42 United States Code Section 1395x(v)(1)(I)) is applicable, the parties agree that for a period of five (5) years following the furnishing of services under this Agreement, each party shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services, to the Comptroller General of the United States, or to any of their duly authorized representatives, the contracts, books, documents and records of the party which are necessary to verify the nature and extent of the cost of services provided hereunder. Further, if either party carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period with a related organization (as that term is defined under Federal law), such party agrees that each such subcontract shall provide for such access to the subcontract, books, documents and records of the subcontractor.

C. Rights of the Parties: This Paragraph 24 pertains solely to the maintenance and disclosure of specified records and shall have no effect on the right of the parties to make assignments.

25. REIMBURSEMENT PROGRAM CHANGES: Either party may terminate this Agreement upon sixty (60) days written notice to the other party if compliance with the provisions of this Agreement has any significant adverse effect, as determined in the sole discretion of the party providing such notice, on the reimbursement available to such party from any reimbursement program, whether public or private, resulting from any changes which may occur in the Medi-Cal program, the Medicare program, and/or other public or private health and/or hospital care insurance programs or policies in which a significant number of patients receiving medical services incident to this Agreement are enrolled and which affect coverage, payment, or other aspects of such programs or policies. The party providing such notice shall indicate such change and the basis upon which it has determined that such a significant adverse effect will result. In any case where such notice is provided, both parties shall negotiate in good faith during such sixty (60) day period in an effort to develop a revised Agreement, which, to the extent reasonably practicable under the circumstances, will adequately protect the interests of both parties in light of the governmental or other program or policy changes which constituted the basis for the exercise of the termination provision of this Paragraph 25.

26. CONFIDENTIALITY: Each party shall maintain the confidentiality of all records, including, but not limited to, patient records, in accordance with all applicable Federal, State

and local laws, ordinances, regulations, rules, and directives, relating to confidentiality. Contractor shall inform all of its Residents who may participate in any exchange hereunder of the confidentiality provisions of this Agreement.

27. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA) AND THE HEALTH INFORMATION TECHNOLOGY FOR ECONOMIC AND CLINICAL HEALTH ACT (HITECH): The parties acknowledge the existence of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH), and their implementing regulations. Contractor understands and agrees that, as a provider of medical treatment services, it is a "covered entity" under HIPAA/HITECH and, as such, has obligations with respect to the confidentiality, privacy and security of patients' medical information, and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of its staff and the establishment of proper procedures for the release of such information, including the use of appropriate consents and authorizations specified under HIPAA/HITECH.

The parties acknowledge their separate and independent obligations with respect to HIPAA/HITECH, and that such obligations relate to transactions and code sets, privacy, and security. Contractor understands and agrees that it is separately and independently responsible for compliance with HIPAA/HITECH in all these areas and that County has not

undertaken any responsibility for compliance on Contractor's behalf. Contractor has not relied, and will not in any way rely, on County for legal advice or other representations with respect to Contractor's obligations under HIPAA/HITECH, but will independently seek its own counsel and take the necessary measures to comply with the law and its implementing regulations.

Contractor and County understand and agree that each is independently responsible for HIPAA/HITECH compliance and agree to take all necessary and reasonable actions to comply with the requirements of the HIPAA/HITECH laws and implementing regulations related to transactions and code sets, privacy, and security.

Each party further agrees that, should it fail to comply with its obligations under HIPAA/HITECH, it shall indemnify and hold harmless the other party (including the other party's officers, employees, and agents), for damages to the other party that are attributable to such failure.

28. RESIDENT AGREEMENTS: County may require its Residents to execute the agreement attached hereto as Exhibit A, or any similar agreement, as a condition for participation in any training hereunder.

29. QUALITY OF CARE REVIEW: The parties agree to cooperate to the extent reasonably necessary and practicable in coordinating quality of care review activities relating to any service provided by any Resident trained hereunder.

30. THIRD PARTIES: The parties understand and agree that this Agreement establishes an affiliation between the parties hereto only for the purpose of benefitting the parties' training programs by providing Residents with specialized training and improving the parties' patient care by receiving valuable physician services from Residents and from County Attending Physicians incident to such specialized training hereunder and that this Agreement is not intended, and shall not be construed, as providing any rights to, or expanding any rights of, any third party, including, but not limited to, any Resident or County Attending Physician.

31. COUNTY'S OBLIGATION FOR FUTURE FISCAL YEARS:
Notwithstanding any other provision of this Agreement, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last County fiscal year for which funds were appropriated. County shall notify Contractor in writing of such non-allocation of funds at the earliest possible date.

32. COMPLIANCE WITH APPLICABLE LAW:

A. Each party shall comply with all Federal, State, and local laws, ordinances, regulations, rules, and directives

applicable to its performance hereunder. Further, all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference.

B. Each party shall indemnify and hold harmless the other party from and against any and all loss, damage, liability or expense resulting from any violation on the part of the indemnifying party, its officers, employees, or agents, of such Federal, State or local laws, ordinances, regulations, rules, or directives.

33. GOVERNING LAW, JURISDICTION AND VENUE: This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles, California.

34. AUTHORIZATION WARRANTY: Contractor hereby represents and warrants that the person executing this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation set forth in this Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.

35. DELEGATION AND ASSIGNMENT: Neither party shall delegate its duties nor assign its rights hereunder, nor both, either in whole or in part, without the prior written consent of the other

party, and any prohibited delegation or assignment shall be null and void.

36. ALTERATION OF TERMS: The body of this Agreement and Exhibit A, attached hereto and incorporated herein by reference, fully express all understandings of the parties concerning all matters covered and shall constitute the total Agreement. No addition to, or alteration of, the terms of this Agreement, whether by written or verbal understanding of the parties, their officers, employees, or agents, shall be valid and effective unless made in the form of a written amendment which is formally adopted and executed by the parties in the same manner as this Agreement.

37. FAIR LABOR STANDARDS ACT: Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its agents, officers and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated, damages, penalties, court costs, and attorneys' fees arising under any wage and hour law including, but not limited to, the Federal Fair Labor Standards Act for services performed by Contractor's employees for which County may be found jointly or solely liable.

38. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it fully complies with all statutes and regulations regarding the employment of aliens and others, and that all persons performing services under this Agreement are eligible for

employment in the United States. Contractor represents that it has secured and retained all required documentation verifying employment eligibility of its personnel. Contractor shall secure and retain verification of employment eligibility from any new personnel in accordance with applicable law. Contractor shall indemnify, defend, and hold County harmless from any employer sanctions or other liability which may be assessed against Contractor or County by reason of Contractor's failure to comply with the foregoing.

39. NOTICES: Notices hereunder shall be in writing and shall be personally delivered or mailed by certified or registered mail, postage prepaid, return receipt requested, to the parties at the following addresses and to the attention of the persons named. Director shall have the authority to issue all notices which are required or permitted by County hereunder.

Addresses and persons to be notified may be changed by either party by giving ten days prior written notice thereof to the other party.

To Contractor: Vermont Care Center
22035 S. Vermont Avenue
Torrance, California 90502
Attention: Administrator

To County: Department of Health Services
Contract and Grants Division
313 N. Figueroa Street, 6th Floor-East
Los Angeles, CA 90012
Attention: Director, Contract Administration and Monitoring

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by the County's Director of Health Services, and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Mitchell H. Katz, M.D.
Director of Health Services

GERI-CARE II, INC. dba
VERMONT CARE CENTER

Contractor

By _____

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE
COUNTY COUNSEL

12/22/11

EXHIBIT A

AGREEMENT REGARDING PARTICIPATION IN AFFILIATED TRAINING PROGRAM

In consideration of my eligibility to participate in affiliated physician postgraduate training programs established by County's medical facility and other area health facilities or organizations with residency training, I, _____, hereby agree and consent to the following:

I acknowledge and agree that I will adhere to all policies, procedures, rules and regulations of any health facility in which I may receive training during my participation in such a training program. I agree to be bound by the procedures, if any, established by County's medical facility to resolve any disputes, including disciplinary actions, between myself and County's medical facility or any other health facility in which I may receive training pursuant to such a training program.

I acknowledge and agree that Contractor and any health facility in which I may receive training pursuant to such a training program shall have the right to restrict or terminate my participation in such training program and/or to refuse to certify that I have successfully completed such training program. I understand that any such restriction, termination or refusal to certify shall be based upon my actions and performance during such a training program and shall be taken in accordance with any

and all relevant policies and procedures of such training program.

I authorize County's health facility and any other health facility in which I may receive training pursuant to such a training program to consult at any time with the administration and members of the faculty of any health facility or other medical educational institution with which I have been associated who may have information bearing on my professional competence, character, physical and mental health status, ethics, and other qualifications, as may reasonably be related to eligibility to perform services in such training health facilities. I hereby consent to a review of qualifications, as may reasonably be related to my eligibility to perform services in such training health facilities. I hereby further consent to the release by the administration to such other health facilities of such records and documents relating to my education and training at County's health facility as may be material to an evaluation of my professional qualifications and competence for satisfactory participation in any such health facilities' medical educational programs pursuant to such a training program. I hereby release from liability all representatives of County's health facility and other health facilities in which I may receive training hereunder, including their respective Professional Staffs and staff representatives, for their acts performed in good faith and without malice as an incident to any communication, action,

proceeding, or review undertaken pursuant to this Agreement or otherwise related to my participation in such a training program.

I further expressly agree that the above releases shall apply to any act, communication, report, recommendation, or disclosure; and with respect to the named parties in whose favor such releases are given, are intended to and shall include all their officer, employees, and agents; and that, in addition to the above specific releases, such parties shall be entitled, to the fullest extent permitted by law, to absolute immunity from liability arising from any such act, communication, report, recommendation, or other disclosure. In furtherance of the foregoing, I agree that, upon request of County's health facility or any other health facility to which I may be assigned under such a training program, I will execute releases in accordance with the tenor and import of this Agreement in favor of any individual or organization specified herein.

I UNDERSTAND THAT MY EXECUTION OF THIS AGREEMENT INDICATES THAT I HAVE READ, UNDERSTOOD, AND AGREED TO BE BOUND BY THE FOREGOING AND BY ANY AND ALL PROVISIONS OF CALIFORNIA LAW APPLICABLE TO THE SUBJECT MATTER ADDRESSED HEREIN.

SIGNATURE: _____

PRINTED NAME: _____

DATE: _____